

~~SECRET~~

. . . . The 16th meeting of the CIA RETIREMENT BOARD

convened at 2:05 p.m. on Thursday, 22 July 1965, with the following present:

	Mr. Emmett D. Echols, Chairman
25X1A9a	[REDACTED] DP Member
	[REDACTED] DDP Member
	Mr. Paul A. Borel, DDI Member
25X1A9a	[REDACTED] DDI Member
	[REDACTED] DDS&T Member
	Mr. Alan M. Warfield, DDS Member
	[REDACTED] DS Member
25X1A9a	[REDACTED] Finance Adviser
	[REDACTED] Executive Secretary
	[REDACTED] Recording Secretary

MR. ECHOLS: While we're waiting (for [REDACTED]) 25X1A9a

I could at least give you some miscellaneous information. The Director is going to brief the House Armed Services Committee this week, and one of the subjects which I believe he is going to brief them on is our progress in implementing the CIA Retirement System. So we were asked to prepare a briefing paper for the Director, which we have done here, and he has it now, but I thought you might be interested in what we say about our status right at this moment with regard to the progress we have made. We say here (reading):

	The screening of on-duty employees to identify those eligible to participate in the CIA Retirement System was started with those most likely to be eligible to retire soonest -- that is, those who are age 50 or over and who have 20 or more years of federal service and 10 or more years of Agency service. There were [REDACTED] employees in this group and [REDACTED] of them have been screened. Of these, [REDACTED] were designated participants in the system. The remaining [REDACTED] were found ineligible to participate. The average age of those designated is 53 and their average GS grade is GS-13. They have an average of almost 25 years of federal service (24 years 9 months) and almost 16 years of Agency service (15 years 7 months). Their average years of qualifying service is 85 months -- as you know, there is a minimum requirement for 60 months of qualifying service to retire under this system. We estimate that the screening of on-duty employees will be completed within a year. After that, each employee will be considered for participation as he completes three years of Agency service.	25X9
25X9		25X9
		25X9

~~SECRET~~

GROUP 1
Excluded from automatic
downgrading and
declassification

SECRET

Three employees have retired under the voluntary retirement provision and three under the mandatory age retirement provision. The average age of the six retirees was 56, their average GS grade was GS-14. Their average length of federal service was almost 24 years (23 years 6 months) and their average length of Agency service was almost 17 years (16 years 8 months). Their average length of qualifying service was 98 months.

So, so far the statistics are looking good.

Another item of interest, perhaps, is that the machine runs which were promised for 30 July will be coming out on schedule.

25X1A9a

[REDACTED] I'm just wondering if those statistics were given to them cold -- the relationship of the number designated with the number rejected -- whether it truly represented a cross section -- I mean, do you feel it was necessarily typical? I don't know.

MR. ECHOLS: I just don't know -- but I would rather doubt it, and I'll tell you why -- because we're dealing with the older group in the Agency, and I think in the DDI side of the house and the Support side of the house there is a greater proportion of older government employees.

25X1A9a

[REDACTED] I'm wondering if that shouldn't be backstopped -- because they ask the darndest questions up there, and I would hate to see us walk into a trap -- does this represent a fair average of what we expect? How many DDI types were in that [REDACTED] 25X9

25X1A9a

[REDACTED] There were more DDI and DDS types than there were DDP--

25X1A9a

[REDACTED] I think this is significant -- you ought to have some of that background information -- not for his presentation but in case he is questioned on it.

MR. ECHOLS: The ratio is only 10 percent -- very close to 10 percent -- those put into the System from the total number screened -- almost exactly 10 percent. If you applied that to the total Agency you would end up with only [REDACTED] in the retirement system. But we know this won't be true, of course, because in the lower age brackets we are going to be putting in many

SECRET

SECRET

people who will appear to qualify at a certain period in their career but will ultimately be washed out, and so on. I don't think there is anything out of balance here that would hurt us.

25X1A9a [REDACTED] Are you anticipating a question on the status of the Fund? Is that something they're apt to be concerned about?

25X1A9a [REDACTED] joined the meeting at this point

MR. ECHOLS: I don't think so. There isn't much we could say about the Fund that would mean anything. All we have done or will do is transfer--

MR. BOREL: I think it would be meaningful to say you have established a smooth working mechanism between the Civil Service System -- because there is always a chance of friction involved when you superimpose a new system.

MR. ECHOLS: This report does cover the coordination and issuance of Agency regulations; it covers the establishment of the CIA Retirement Board; it covers our progress in screening to date; and then it discusses our few retirements to date. It does not mention the Fund specifically, and perhaps it should.

25X1A9a [REDACTED] We had a call from one of your people on this question, in connection with this report. We did have a statistical report of funds available as of the 19th of June, but this wasn't representative of very much -- it was just beginning--

25X1A9a [REDACTED] It may be enough to say the mechanisms are being established or have been established to take care of this -- this may be all you need at this point.

25X1A9a [REDACTED] It might be sufficient to say the initial transfers

SECRET

of employee contributions have been--

MR. ECHOLS: The fact that the Fund has been established is itself important.

25X1A9a

[REDACTED] Without mentioning the dollars--

[REDACTED] There are so many big money programs before this Congress, somebody might turn up with --

25X1A9a

[REDACTED] The last figure I did have -- just as a matter of information here -- our total assets is something in excess of 200 thousand at this point.

MR. ECHOLS: Are there any additions or corrections to the Minutes of the last meeting? (No response.) If not, we will accept them as presented.

On item 2, the non-eligibility memo, let me state that the IG had received four appeals and they have been sent down to us. We will contact each of these individuals to advise them of the change in procedure, that their cases will receive formal review before a new determination is made, and that this in no way affects their ultimate right to appeal to the Director.

[REDACTED] Were these appeals on the basis of qualifying overseas service or service other than overseas service?

25X1A

25X9

MR. ECHOLS: I believe in those cases they are claiming eligibility under the [REDACTED] provisions -- service other than overseas. I know in one case the man was given a greater explanation of the interpretation of those paragraphs -- but he, nonetheless, insists that his service in the United States should be deemed qualifying -- so we will have to look into it. I think he performed some service that was very covert, if you will, and that only Mr. Dulles and maybe one or two other people are really privy to it. So that case will come up.

We have another draft of the Memorandum of Non-eligibility.

MR. BOREL: It looks very good.

SECRET

SECRET

MR. ECHOLS: It's too bad we have to say so much -- but how else do you do it?

[REDACTED] Will you get it all on one page?

25X1A

MR. ECHOLS: Oh I'm sure we will, yes.

I think this will get things back in channels. Are there any suggestions on it?

25X1A9a

[REDACTED] Actually I had only one thought, and that is

25X1A

in those cases where you know the man is in [REDACTED] I'm wondering if 30 days is enough time?

MR. ECHOLS: This is strictly for people at Headquarters.

25X1A9a

[REDACTED] What do you do about the people overseas?

MR. ECHOLS: We will have to make it 60 days for them.

25X1A9a

[REDACTED] Okay.

MR. ECHOLS: If you're ready now, we will turn to our cases. There are only two categories or groups today. In the first group are 16 employees who meet all the criteria and have 15 or more years of service and therefore will acquire a vested interest as soon as they exercise their option.

25X1A9a

[REDACTED] I reviewed them all. They all look real good to me. I recommend we nominate them.

MR. BOREL: Second.

. . . . This motion was then passed

MR. ECHOLS: The second group consists of people who appear to meet all the basic qualifications and who have less than 15 years of service, and who will come up for review at the proper time.

25X1A9a

[REDACTED] It would seem to me that [REDACTED] might well want to opt out.

25X1A9a

MR. ECHOLS: That's an amazing case. This girl joined the Agency on 12 May 1951, went overseas in June, and has served overseas ever since.

SECRET

SECRET

25X1A9a Any discussion on any of these cases?

25X1A9a [REDACTED] They all look like they are fully qualified.

[REDACTED] 36.6 years, and if she even intends staying on until she is 60 she obviously is going to be better off retiring under Civil Service. I don't know -- I've learned one thing from talking to these people, that it's pretty hard to predict what an individual person wants to do. I [REDACTED] had two identical cases - [REDACTED]'s being one, who was qualified but said, "I don't want any part of it, because I would rather work until I'm 62." I had another man the exact same age, except he was not qualified, and he was rather upset because he was real anxious to get out when he was 60 and he was trying to push to see if there was some way he could be qualified, because he had another job he wanted to go to. So it's pretty hard to prejudge them. I suppose [REDACTED] will get the 25X1A9a explanation when she is asked -- oh, no, she won't be asked yet. I think what I'm saying is she is 10 months away from being asked. Are we going to put her in and then 10 months from now when she understands the facts of life she will say, "I don't want to be in"?

25X1A

[REDACTED] I think she should be put in, because we don't really know but what she might want to retire as soon as she gets the 15 years -- she has got everything she needs for retirement now -- but she might want to retire now, and if we didn't put her in she would miss that opportunity.

MR. ECHOLS: I think she should be put in, and then subsequently, depending upon (a) the intentions of her Career Service, and (b) her own desires, it might be to her advantage to be put back under Civil Service.

25X1A9a [REDACTED] How does that affect you (indicating Mr. 25X1A9a [REDACTED] dragging the money around--

25X1A9a [REDACTED] I'm listening, and I don't like it, but what can I do about it. We take it, we no more than get it and the girl says she wants out, so then we--

25X1A9a [REDACTED] I would think by dint of great effort we

SECRET

SECRET

could probably find this out before we make her a member of this System. Why don't we defer action on that while we get in touch with her and find out.

MR. ECHOLS: If you wish, it could be done very easily.

25X1A9a [REDACTED] I think on those kind of cases you wouldn't be out of order to suggest that we do that--

25X1A [REDACTED] So long as she is told that she can retire now if she wants to -- I think that is the main point -- I don't think she ought to be kept in ignorance of that fact.

25X1A9a [REDACTED] Oh no -- she will get all the facts, sure.

MR. ECHOLS: Okay, we will defer this case. Gerry, how long do you think it will take to communicate with her?

25X1A9a [REDACTED] Oh, a fortnight - something like that.

MR. ECHOLS: A few weeks. Okay.

Any other discussion on these cases?

25X1A9a [REDACTED] I recommend the others all be nominated.

. . . . This motion was then seconded and passed

MR. ECHOLS: I have one other small item. I have inadvertently been lying to you gentlemen. What I thought was at the printers because I thought it had all the approvals, for reasons unknown to me, really, was shot off to the General Counsel's Office and I think still sits on Mr. Bannerman's desk. I think what concerned Mr. Bannerman was the statement in our Bulletin drawing the analogy, if you will, between involuntary retirement under the new CIA System and the Director's 102(c) authority, and the Agency is particularly zealous in avoiding saying anything about 102(c) which in any way might subsequently be interpreted to limit the Director's utilization of 102(c) -- they want to be awfully, awfully careful.

Again, I think we can get at this thing and break it loose within a few days. I sure hope so!

SECRET

MR. WARFIELD: Well, I don't know what the General

25X1A9a Counsel is doing with it, except that [REDACTED] did not get it, [REDACTED] got 25X1A9a
it, and he hadn't had the background so he came through with a lot of comments.

But you know, at the time that this Bulletin was prepared, Gerry, it was the feeling that there would be a number of people who would feel that this was a 701 exercise.

25X1A9a [REDACTED]: Yes.

MR. WARFIELD: Have we learned anything more about whether or not that feeling was correct?

MR. ECHOLS: We have seen no sign of it.

MR. WARFIELD: Do you presently feel that a lot of people are looking on this as moving them closer to being fired, for example?

25X1A9a [REDACTED] Well, I haven't had a reading from the field on it recently, but I don't have the feeling that this is quite such an issue as it was awhile back. You remember, the law came through in an atmosphere of ceiling cuts, personnel reductions, etc. And that whole atmosphere has changed a bit, and I think the reactions have changed somewhat, too. So, insofar as I can tell, then, my answer is - no, I don't think that feeling is as strong as it was at the time several months ago.

25X1A9a [REDACTED] I can say to that, that is the way I feel, too, but I can only say that from the headquarters point of view. I don't know how the field is going to react to this. I think there has been enough crusading work done by maybe the members of this Board, to know that this is not intended for that, and that anybody that gets into this System - it's a favor, really. So my feeling is that there is less and less of that feeling, too. But I don't know about the overseas -- I think they are still waiting, in many cases, to get this Bulletin.

MR. ECHOLS: I do, too.

MR. WARFIELD: It seemed to me and I had the feeling that people were less apprehensive about it. There was a lot of eyebrow raising when this first came out, and people saying, "This is what they're trying to do" --

SECRET

SECRET

and I don't hear that anymore, or have any feeling that this is the current attitude --

25X1A9a again, like you (indicating [REDACTED] in the headquarters area, and I wonder if the same thing has gotten abroad -- and I'm sure that those APO channels are excellent. So maybe this isn't really needed, this explanation that you're not any closer to getting fired under this new Retirement Act than you were before.

MR. ECHOLS: Well, I don't know, but I know we prepared this thing, we thought, in response to the demands of a situation -- and frankly, I think it's highly irritating that we are being second-guessed in this area. And furthermore, we had a legal representative on the Board here. And now they send the thing to the General Counsel's Office for a legal opinion. I don't understand what is going on.

MR. BOREL: As far as the value of the thing, I think it can't do any harm and it can do some good. I don't see any reason for changing it.

25X1A9a [REDACTED] I agree with you, Paul, on that.

[REDACTED] I think the Bulletin should get out, whether this particular point is straightened out or not. In the case of our people I have held up a number of notifications of eligibility and requests to elect to remain or not to remain -- and I don't really know what the response to that is going to be in those cases -- some of these people are in the field -- but I think that they should have the Bulletin at the same time they have this piece of paper that they have to sign, so they will know exactly what they are either getting into or staying out of. But I have, though, in the very limited number of cases we have taken up, detected a certain aversion to the whole thing -- because if you stay until you are 62 you really get a bigger pension than you do under 60 under the Agency system, in addition to getting two more years of full pay -- and I think we will probably have a significant number of people who will opt not to remain in the System, thereby extending their employment two years and getting more pension.

25X1A9a [REDACTED] This is the type of thing, Roger, that I feel it's difficult to make a generalization on -- because you have a day when you see eight or ten people and all of them feel just the opposite, that they want the ability

SECRET

SECRET

to get out before they are 60 and get into other work. So on the overall statistics, I'm not too sure that there won't be more who will be interested in getting out earlier rather than working the extra two years.

25X1A [REDACTED] The younger they are the more likely they are to opt to stay in the System. But those (who have a lot of years) are probably going to want to stick with Civil Service.

25X1A9a [REDACTED] It's even a small percentage of the 50's and over who are reacting, and as I get down further I think it's going to almost disappear.

MR. WARFIELD: Outside the Clandestine Services we don't care what the participation is, though, do we? We're not striving for high participation--

MR. ECHOLS: I wouldn't say that. I think the DDI thinks it's a useful thing.

MR. BOREL: Not for the purpose of getting a younger service. I don't think we have that many jobs that are ... (inaudible)... In fact, some of these people we would hate to see go. Probably the ones we would like to keep are the ones who will want to get out, because they will have more opportunity to make a second career for themselves.

25X1A [REDACTED] Also, the ones you would like to see get out are going to stick around.

MR. BOREL: This is the part that bothers me.

25X1A9a [REDACTED] Alan, you were not addressing yourself to the entire Bulletin, but only that one aspect--

MR. WARFIELD: Only that one aspect -- if General Counsel is going to hold it up on the basis of that wording--

MR. ECHOLS: If this were true I'm sure we could alter a sentence or two and get the Bulletin out -- because the general information is the most important.

SECRET

25X1A9a

Counsel's Office?

[REDACTED] How did you say that got to the General

MR. ECHOLS: I don't know. I sent it up to be printed.

25X1A9a

[REDACTED] You have been saying, week after week, that it was at the printer's.

MR. ECHOLS: Then I was constantly assured it was just about to be signed off. The next thing I know it has gone on up to Red White -- but I found out he signed off on it within 24 hours. And the next thing I hear it's at the General Counsel's again. I haven't had a chance to check up on this.

MR. WARFIELD: I will undertake to do that this afternoon. I don't promise any results.

MR. ECHOLS: If there is a little legal bind here, we can always change a sentence to correct that, and get it out.

25X1A9a

[REDACTED] Where do we stand on the machine listings?

MR. ECHOLS: The new runs will be out July 30th. They said they couldn't do it before then.

25X1A9a

[REDACTED] Where do they go on that--

MR. ECHOLS: Down through age 46 -- 46 come December 31.

25X1A9a

[REDACTED] Without regard to 20 years' service--

[REDACTED] It will catch the group that are 50 years and older with more than three years' service. They had 20 years' service the last time. This is going to be age 50 with more than three.

MR. ECHOLS: We have to get to those people as quickly as possible.

I have another item of new business which you may not want to get into too deeply. I was called by Larry Houston and asked whether the Board had considered whether or not career agents should be held eligible, and asked, more specifically, was there any doubt in my mind that the System as implemented would extend coverage to career agents. Well, when we raised

SECRET

SECRET

this subject some months ago we agreed, at your request, Gerry, to table this for 60 days, because you wanted to do perhaps some purging of your career agent ranks, or something like that, before a decision were made. I gave Larry the off-the-cuff answer that there was no doubt in my mind that a career agent could be eligible both in terms of the law itself and in terms of the regulation. It merely stipulates the individual has to be a civilian employee of the Agency and this is a career program -- so you might say a career civilian employee of the Agency I think is legally eligible to participate. But I did not think that the mere fact that a man was a career agent - in other words, serving under cover - would necessarily qualify the individuals with that tag on them for the System. But now he had a particular case in mind, and it was the case of an individual who has about two and a half years of overseas service. This man is now a staff employee who is about to transfer and become a career agent -- this will be service in this country and he is going to have a perfectly bona fide, legitimate cover. I told Larry that I rather doubted -- from the few discussions we had had here -- that this type of cover, with no stress and strain, with no hardship, no hazard -- a perfectly easy framework within which a person can live -- that I doubted if this would be considered qualifying duty by the Board. In this case, because the man won't have 60 months at least for several years, I think we can procrastinate on it -- but I want to point out that we could have a case of a career agent at any time, and I think the Board said we would entertain any urgent or high priority case on an individual basis.

25X1A9a

████████████████████ Are these the facts: he is an Agency employee, and he has had two and a half years overseas as an Agency employee, and now he wants to become a career agent, and he is likely to remain in the States.

MR. ECHOLS: Yes. It is planned that he will remain in the States indefinitely. In fact, his career as a career agent would be in the United States, although it might involve, over the years, a great deal of TDY travel.

But I think all we can do is invite Larry to present the case. I think in this case the individual is reluctant to be transferred from his

SECRET

career status to career agent status unless he can be assured that in so doing he is not impairing his ultimate right to participate in the System -- and on this point I gave Larry as much assurance as I could that I did not think the man would in any way be diminishing his ultimate rights by making the transfer.

25X1A9a [REDACTED] This is probably a stupid question -- but we've had career agents floating around for years -- does he have any Civil Service coverage?

25X1A9a [REDACTED] Yes.
May I comment on that? Some of these career agents, as I remember, provisions are written into the agreement that some do and some do not get the benefit of Civil Service retirement--

MR. ECHOLS: Right.

25X1A9a [REDACTED] (continuing): --and where they do, we sometimes have a problem of financing their contributions into the Fund. This would have to be explored in a particular case, as to how we could make their contributions into the Agency System in lieu of going into the Civil Service system. There are mechanics for this -- on an annual basis, or at such time as they leave that status, or on a current basis--

25X1A9a [REDACTED] Don't some of them get involved in Social Security, as well?

25X1A [REDACTED] I'm even more ignorant than Harry, but what determines whether a man is a career employee or a staff agent?

MR. WARFIELD: A staff agent works under supervision, and a career agent doesn't -- roughly, that is what it is.

25X1A9a [REDACTED] Mike just asked me a question which I think is something we have to go into. When we speak of a career agent these days the criteria are pretty clear. But as you go back in history, if you go back several years there was no such thing as a career agent -- he was known at that time as a contract agent, and that is the same thing as what we mean now by career agent. So what we have got to do, I think, is judge what are the criteria

SECRET

SECRET

for the career agent back in history. Generally speaking, I think it would be whether Civil Service retirement was written into his contract or not. But I will have to make an examination of that question. Then I will take the whole question to the CS Board, and come back here with something as soon as possible.

MR. ECHOLS: Good.

Has anybody else any new business? (No response.)

. . . The meeting adjourned at 2:40 p.m. . . .

SECRET